



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

Regd. Office: Pandit Deendayal Upadhyaya Urja Bhawan 5, Nelson Mandela Marg,
Vasant Kunj, New Delhi-110070

CIN: L74899DL1993GOI054155

Website: www.ongcindia.com Email: secretariat@ongc.co.in

ONGC/CS/SE/2016

27th October 2016

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI – 400 001 BSE Security Code No. 500312	National Stock Exchange of India Ltd. Listing Department Exchange Plaza Bandra-Kurla Complex, Bandra (E) MUMBAI – 400 051 Symbol-ONGC; Series - EQ
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Sub: Un-audited Financial Results for the Second Quarter and half year ended 30.09.2016, payment of Interim Dividend & issue of Bonus Share.

Dear Sir(s),

Pursuant to **Regulation 33 read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, we are submitting herewith the Un-audited Financial Results (after Limited Review) of the Company for the Second Quarter and half year ended 30th September, 2016, approved by the Board of Directors in its meeting held today i.e. 27th October, 2016. Abridged version of the aforesaid financial results is also being published in the newspapers in line with Regulation 47.

Further, in terms of **Regulation 30**, we would like to inform that the Board of Directors of Oil and Natural Gas Corporation Limited, in the meeting have

- (i) approved Interim Dividend of ₹4.50 (Four rupees and fifty paise only) per equity share of ₹ 5/- each, for the Financial Year 2016-17. The record date for the same has already been fixed on **Saturday, the 5th November, 2016** vide our intimation letter of even number dated **19th October, 2016**. Payment of interim dividend shall start from **Monday, the 7th November, 2016**.
- (ii) recommended the issue of bonus shares in the proportion of 1 (One) new equity share of ₹5/- each for every 2 (Two) existing equity shares of ₹5/- each fully paid up of the Company, subject to the approval of the shareholders.

The meeting of the Board of Directors commenced at 11.15 Hours and concluded at 13.30 Hours.

Thanking you,

Yours faithfully,

For Oil and Natural Gas Corporation Ltd.


(V N Murthy)

Company Secretary

OIL AND NATURAL GAS CORPORATION LIMITED

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Tel: 011-26754002, Fax: 011-26129091, E-mail: secretariat@ongc.co.in

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

(₹ in Crore unless otherwise stated)

Sl. No.	Particulars	Unaudited financial results for					
		Quarter ended 30.09.2016	Quarter ended 30.06.2016	Quarter ended 30.09.2015	Half Year ended 30.09.2016	Half Year ended 30.09.2015	Year ended 31.03.2016
1	Income from operations						
	(a) Sales/Income from Operations	18,286.62	17,670.37	20,395.78	35,956.99	42,894.53	77,165.21
	(b) Other Operating Income	108.39	114.38	116.36	222.77	245.78	576.54
	Total income from operations (a+b)	18,395.01	17,784.75	20,512.14	36,179.76	43,140.31	77,741.75
2	Expenses						
	(a) Cost of materials consumed*	310.32	281.46	326.60	591.78	472.86	1,327.44
	(b) Purchase of stock-in-trade	0.19	2.41	1.61	2.60	3.41	7.15
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade [(Increase)/Decrease]	(110.06)	(4.26)	100.57	(114.32)	(9.91)	35.37
	(d) Employee benefits expense**	506.70	467.73	452.95	974.43	928.62	1,821.46
	(e) Depreciation and amortisation expenses***	2,905.53	2,739.66	2,933.50	5,645.19	5,903.76	11,172.40
	(f) Statutory levies	4,423.89	4,106.55	5,109.87	8,530.44	10,575.56	19,530.62
	(g) Exploration Cost written off	547.40	960.07	1,728.23	1,507.47	3,277.10	5,665.51
	(h) Other expenses	3,616.51	3,540.35	3,924.54	7,156.86	8,390.33	17,159.74
	Total Expenses	12,200.48	12,093.97	14,577.87	24,294.45	29,541.73	56,719.69
3	Profit/(Loss) from Operations before other Income, finance costs and exceptional items (1-2)	6,194.53	5,690.78	5,934.27	11,885.31	13,598.58	21,022.06
4	Other income	1,183.64	952.43	1,186.40	2,136.07	2,049.32	7,011.06
5	Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)	7,378.17	6,643.21	7,120.67	14,021.38	15,647.90	28,033.12
6	Finance costs	303.36	292.03	327.98	595.39	644.52	1,324.13
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	7,074.81	6,351.18	6,792.69	13,425.99	15,003.38	26,708.99
8	Exceptional items	-	-	-	-	-	(3,154.11)
9	Profit/(Loss) from ordinary activities before tax (7+8)	7,074.81	6,351.18	6,792.69	13,425.99	15,003.38	23,554.88
10	Tax expense						
	a) Current tax	1,510.00	1,710.00	1,860.00	3,220.00	4,560.00	5,720.00
	b) For earlier years	-	-	-	-	-	(135.75)
	c) Deferred tax liability/(asset)	589.89	408.64	251.30	998.53	393.63	1,859.45
	Total tax expense	2,099.89	2,118.64	2,111.30	4,218.53	4,953.63	7,443.70
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	4,974.92	4,232.54	4,681.39	9,207.46	10,049.75	16,111.18
12	Other Comprehensive Income (net of tax)	4,626.35	1,724.17	10.91	6,350.52	597.82	641.73
13	Total Comprehensive Income for the period/year (11+12)	9,601.27	5,956.71	4,692.30	15,557.98	10,647.57	16,752.91
14	Paid-up Equity Share Capital (Face value of ₹ 5/- each)	4,277.76	4,277.76	4,277.76	4,277.76	4,277.76	4,277.76
15	Reserves excluding Revaluation Reserves as per restated balance sheet of previous accounting year	-	-	-	-	-	-
16	Earnings Per Share (Face value of ₹ 5/- each)-not annualised						
	(a) Basic	5.81	4.95	5.47	10.76	11.75	18.83
	(b) Diluted	5.81	4.95	5.47	10.76	11.75	18.83

*Represents consumption of raw materials, stores & spares. ** Employees benefits expense shown above is net of allocation to different activities. *** includes depletion and impairment loss.

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SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES

Sl. No.	Particulars	Quarter ended 30.09.2016	Quarter ended 30.06.2016	Quarter ended 30.09.2015	Half Year ended 30.09.2016	Half Year ended 30.09.2015	Year ended 31.03.2016
(Unaudited)							
1	Segment Revenue						
	Revenue from Operation						
	a) Offshore	12,918.45	12,542.65	14,919.18	25,461.10	31,054.54	56,058.17
	b) Onshore	5,476.56	5,242.10	5,592.96	10,718.66	12,085.77	21,683.58
	c) Others Unallocated	-	-	-	-	-	-
	Total	18,395.01	17,784.75	20,512.14	36,179.76	43,140.31	77,741.75
	Less: Inter Segment Operating Revenue	-	-	-	-	-	-
	Revenue from operations	18,395.01	17,784.75	20,512.14	36,179.76	43,140.31	77,741.75
2	Segment Result Profit(+) / Loss(-) before tax and interest from each segment						
	a) Offshore	6,169.97	5,533.20	5,980.67	11,703.17	12,943.65	24,736.29
	b) Onshore	649.10	773.25	557.68	1,422.35	1,907.74	(1,682.55)
	Total	6,819.07	6,306.45	6,538.35	13,125.52	14,851.39	23,053.74
	Less:						
	i. Interest Payment	303.36	292.03	327.98	595.39	644.52	1,324.14
	ii. Other unallocable expenditure net of unallocable income.	(559.10)	(336.76)	(582.32)	(895.86)	(796.51)	(1,825.28)
	Profit before Tax and Extraordinary Items	7,074.81	6,351.18	6,792.69	13,425.99	15,003.38	23,554.88
	Extraordinary Items	-	-	-	-	-	-
	Profit before Tax	7,074.81	6,351.18	6,792.69	13,425.99	15,003.38	23,554.88
3	Segment Assets						
	a) Offshore	103,033.93	100,858.33	94,986.01	103,033.93	94,986.01	98,141.91
	b) Onshore	49,809.91	48,922.67	49,669.31	49,809.91	49,669.31	47,573.92
	c) Other Unallocated	82,411.52	77,992.06	78,195.33	82,411.52	78,195.33	76,162.54
	Total	235,255.36	227,773.06	222,850.65	235,255.36	222,850.65	221,878.37
4	Segment Liabilities						
	a) Offshore	24,167.47	23,495.68	26,717.40	24,167.47	26,717.40	23,774.84
	b) Onshore	8,121.20	8,394.11	8,495.89	8,121.20	8,495.89	8,161.37
	c) Other Unallocated	24,979.63	24,150.96	22,561.88	24,979.63	22,561.88	24,166.49
	Total	57,268.30	56,040.75	57,775.17	57,268.30	57,775.17	56,102.70

Notes:- Above segment information has been classified based on Geographical Segments as Primary segment.

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STATEMENT OF STANDALONE UNAUDITED ASSETS & LIABILITIES

(₹ in Crore unless otherwise stated)

	Particulars	As at September 30, 2016	As at March 31, 2016
A.	ASSETS		
(1)	Non-Current Assets		
	(a) Oil and gas assets	90,054.30	85,660.08
	(b) Other property, plant and equipment	8,625.14	8,533.90
	(c) Capital work in progress		
	(i) Oil and gas assets		
	(a) Development wells in progress	4,153.03	3,554.36
	(b) Oil and gas facilities in progress	3,613.75	3,595.10
	(ii) Others	7,464.25	9,542.00
	(d) Intangible assets	80.62	66.54
	(e) Intangible assets under development		
	(i) Exploratory wells in progress	19,168.57	17,224.61
	(f) Financial Assets		
	(i) Investments in Subsidiaries, Joint Venture & Associates	21,404.21	21,288.80
	(ii) Other investments	21,965.79	15,538.99
	(iii) Loans and advances	4,271.87	4,296.71
	(iv) Deposit under site restoration fund	13,582.57	13,559.18
	(v) Others	79.98	129.45
	(g) Other non-current assets	7,749.89	8,472.50
	Total Non-Current Assets	202,213.97	191,462.22
(2)	Current Assets		
	(a) Inventories	6,193.17	5,625.35
	(b) Financial Assets		
	(i) Other investments	1,333.52	3,003.24
	(ii) Trade and other receivables	5,563.23	5,301.98
	(iii) Cash and cash equivalents	269.09	13.93
	(iv) Other bank balances	12,653.08	9,942.72
	(v) Loans and advances	1,956.76	2,849.85
	(vi) Others	1,117.88	267.77
	(c) Other current assets	3,954.66	3,408.94
	Total Current Assets	33,041.39	30,413.78
	Assets classified as held for sale	-	2.37
	Total Assets	235,255.36	221,878.37
B.	EQUITY AND LIABILITIES		
(1)	Equity		
	(a) Equity Share Capital	4,277.76	4,277.76
	(b) Other Equity	173,709.30	161,497.91
	Total Equity	177,987.06	165,775.67
(2)	Liabilities		
(i)	Non-Current Liabilities		
	(a) Financial liabilities		
	(i) Trade payables	-	-
	(ii) Other financial liabilities	290.02	234.80
	(b) Long-term provisions	19,629.02	18,684.38
	(c) Deferred tax liabilities (Net)	20,255.96	19,297.80
	(d) Other non-current liabilities	8.88	11.07
	Total Non-Current Liabilities	40,183.88	38,228.05
(ii)	Current Liabilities		
	(a) Financial Liabilities		
	(i) Short term borrowings	-	-
	(ii) Trade payables	4,514.39	5,126.45
	(iii) Other financial liabilities	8,726.76	9,565.84
	(b) Other current liabilities	2,428.77	1,638.90
	(c) Short-term provisions	1,414.50	1,543.46
	Total Current Liabilities	17,084.42	17,874.65
	Total Liabilities	57,268.30	56,102.70
	Total Equity and Liabilities	235,255.36	221,878.37

Notes:

1. The above financial results have been reviewed and recommended by the Audit & Ethics Committee in its meeting held on 27th October, 2016 and approved by the Board of Directors at its meeting held on the same day.
2. The financial results for the quarter and half year ended 30th September, 2016 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Figures for the quarter and half year ended 30th September, 2015 and audited figures for the year ended 31st March 2016 as per IGAAP (previously reported) have been restated as required in terms of Indian Accounting Standards (Ind AS) for the purpose of these results and have also been reviewed by the Statutory Auditors.
3. The company has adopted Ind AS and accordingly, these financial Results have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The date of transition to Ind AS is 1st April, 2015. The impact of transition has been accounted for in the opening reserves and the comparative periods have been restated accordingly.
4. The reconciliation of Net Profit as previously reported (referred to as 'previous GAAP') and the total comprehensive income as per Ind AS is mentioned in the table below:-

Particulars	Profit Reconciliation (Rs. Crore)		
	Quarter ended 30 th Sep 2015	Half year ended 30 th Sep 2015	Year ended 31st March 2016
Net Profit as per previous GAAP	4,842	10,302	16,004
Effect on depletion of Oil and Gas assets due to adjustment of decommissioning liabilities	146	292	846
Effect on change in inventory due to change in depletion	2	(16)	(17)
Effect on finance cost due to unwinding of discount on decommissioning liabilities	(326)	(639)	(1,314)
Effect on finance cost due to unwinding of discount on Financial liabilities	(1)	(1)	(2)
Effect on other expenditure of measuring financial instruments at fair value	(18)	(38)	(82)
Effect on other income due to effective interest method on financial assets	38	87	162
Effect on other income due to amortization of financial guarantees obligation in respect of guarantees given to Subsidiaries	13	24	45
Effect on Impairment Loss due to adjustment of decommissioning liabilities	1	2	(84)
Effect on other income due to re-measurement of decommissioning liabilities	-	-	610
Effect on other expenditure due to foreign exchange difference on re-measurement of decommissioning liabilities	2	3	23
Effect of adjustment of Prior Period items	(102)	(99)	(23)
Deferred tax impact on above adjustments	84	133	(57)
Net profit as per Ind AS (A)	4,681	10,050	16,111
Change in fair value of equity instruments	11	598	642
Other Comprehensive income (B)	11	598	642
Total Comprehensive income (A) + (B)	4,692	10,648	16,753



5. The reconciliation of equity as previously reported (referred to as previous GAAP) and the equity as per Ind AS is mentioned in the table below:-

Particulars	Amounts (in Crore)		
	As at April 1, 2015	As at September 30, 2015	As at March 31, 2016
Total equity under previous GAAP	1,44,601	1,50,269	1,51,853
Adjustments:			
Dividends and related distribution tax not recognised as liability until declared under Ind AS	515	4,634	3,347
Effect of remeasurement of decommissioning liabilities	(501)*	(859)	(437)
Effect of de-recognition of lease rentals	(27)	(27)	(27)
Effect of fair valuation of Equity instruments	10,412**	11,010	11,053
Effect of fair valuation of financial instruments	(374)	(326)	(296)
Effect on other income due to amortization of financial guarantees obligation in respect of guarantees given to Subsidiaries	-	24	45
Deferred government grant reclassified to non- current liability	(1)	(1)	(1)
Effect of adjustment of Prior Period items	23	(77)	-
Deferred tax on above adjustments	295	428	238
Total adjustment to equity	10,342	14,806	13,923
Total equity under Ind AS	1,54,943	1,65,075	1,65,776

* The Company has availed optional exemption available with respect to decommissioning costs included in Oil and Gas assets as per para D21 of Ind AS 101 and has measured the decommissioning provision in accordance with Ind AS 37 as at transition date. Accordingly, decommissioning liability has been discounted to present value at the transition date, resulting in decrease in decommissioning liability by ₹ 6,125 crore and with corresponding decrease in oil and gas assets by ₹6,626 crore. The net amount of ₹ 501 Crore has been recognised in opening reserves.

** As at transition date the Company has irrevocably elected to present the changes in fair value of equity instruments through Other Comprehensive Income (OCI). The Company has fair valued its investment in equity instruments (quoted) as at transition date resulting in increase in total equity by ₹10,412 Crore.

6. No discount was given by the Company to Oil Marketing Companies during the quarter & half year ended 30th September, 2016 (Discount for corresponding quarter and half year of 2015-16 was Nil and ₹ 1,096 Crore respectively).
7. In terms of the statutory provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA), Petroleum & Natural Gas (PNG) Rules 1959 and Notifications issued thereunder; the Company is liable to pay royalty to Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore fields and onshore fields, respectively. Since 2008-09, in terms of GoI directives, the Company has been paying royalty on crude oil at realized price which is net of discount (share of under-recovery of the OMCs as per GoI directives). On an application filed by the State of Gujarat, The Hon'ble High Court of Gujarat in its order dated 30.11.2013 had directed the Company to pay the shortfall of royalty on crude oil produced from the onshore fields in the State of Gujarat on pre-discount prices

from 01.04.2008 onwards. Based on the Special Leave Petition filed by the Company against the said order of The Hon'ble High Court of Gujarat, pending further orders, The Hon'ble Supreme Court vide order dated 13.02.2014 stayed the operation of the impugned judgment subject to the condition that the company pays royalty to the State of Gujarat on pre-discounted price of crude oil w.e.f. 01.02.2014 onwards. Accordingly, w.e.f. February 2014, the Company has started depositing royalty with the State of Gujarat on pre-discount prices in respect of crude oil production from Gujarat. Matter is presently pending with the apex court.

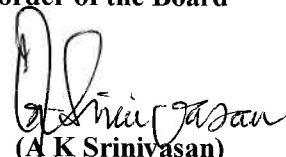
Meanwhile, Government of Assam has also filed a Writ Petition in The Hon'ble High Court of Guwahati for payment of differential royalty on pre- discount sale price of crude oil for the period 2008-09 to 2013-14 which is pending adjudication. Government of Assam has also filed an Interlocutory Application seeking payment of royalty on pre-discount sale price of crude oil w.e.f. 01.02.2014 in terms of The Hon'ble Supreme Court order dated 13.02.2014.

Further, vide order dated 15.07.2016, GoI has directed ONGC to pay royalty to all similarly placed crude oil producing states at pre-discount prices effective 1st February, 2014 based on the interim decision of The Hon'ble Supreme Court dated 13.02.2014, pending the outcome of this Special Leave Petition.

Accordingly, differential amount of ₹ 15,632 Crore on this account for the period from April, 2008 to September, 2016 (₹ 14,872 Crore as on 31.03.2016) has been considered as Contingent Liability. Pending the final outcome of the SLP filed before the Hon'ble Supreme Court, differential royalty (royalty on pre-discount price minus royalty on post-discount price) amounting to ₹ 2,481 Crore deposited with respective State Governments w.e.f. February, 2014 (₹ 2,169 Crore as on 31.03.2016) has been shown as deposit.

8. Tapti A series assets and facilities which were a part of the assets of PMT Joint Venture were surrendered by the JV to the Government of India as per the terms and conditions of the JV Agreement. These assets and facilities have been transferred by Government of India to the company free of cost as its nominee during Q1 2016-17. The company is in the process of assessing the fair value of the said assets and appropriate accounting would be carried out in due course. There is no significant impact of the same on the results for the quarter and half year ended on 30th September, 2016.
9. The Board of Directors in its meeting held on 27th October, 2016 have declared an interim dividend of ₹ 4.50 per share (90%).
10. The Board of Directors have recommended issue of bonus shares in the ratio of one equity share of ₹ 5/- each for two existing equity shares of ₹ 5/- each, which is subject to approval by the members of the Company.
11. Previous period's figures have been regrouped/ reclassified by the Company, wherever necessary, to conform to current quarter's classification.

By order of the Board


(A K Srinivasan)
Director (Finance)

Place: New Delhi

Date : 27th October, 2016